

Vail Resorts Comments On Ski Season To Date And Expected Fiscal 2000 Second Quarter Results

Vail, Colo., - January 14, 2000 - Vail Resorts, Inc. (NYSE: MTN) commented today on the start of the 1999-2000 ski season and expectations for its second fiscal quarter ending January 31, 2000.

Based upon performance to date, the Company anticipates its financial results will fall below consensus analyst estimates for the quarter ending January 31, 2000 as well as for the 2000 fiscal year. The Company also announced that skier days for the season through January 12, 2000 had declined approximately 9% from the prior year.

The Company further stated that it expects to mitigate the impact of the skier day declines through recoveries under a Reduced Skier Day Insurance Policy, a customized insurance product, which the Company purchased at the outset of the ski season. Under this policy, the Company receives a fixed payment for each paid skier day below certain targeted levels for the season subject to certain deductibles and maximum reimbursements.

Taking anticipated insurance recoveries into account, on a preliminary basis, the Company expects resort revenues to be in the range of \$145 to \$160 million for the quarter and earnings from resort operations before interest, income taxes, depreciation and amortization ("Resort EBITDA") to be in the range of \$45 to \$50 million for the quarter. The Company also noted that insurance recoveries may represent in excess of 10% of Resort EBITDA for the quarter.

Adam Aron, Chairman and Chief Executive Officer of Vail Resorts, commented, "Skier days and associated revenues at our resorts have been negatively affected by the slow millennium period travel patterns across the U.S. travel industry, which we previously announced had affected our holiday period bookings and which have continued into January. Additionally, our performance in the second quarter was also affected by soft pre-Christmas activity."

Aron continued, "Fortunately, since mid-December, we have seen considerable snowfall at all four of our Colorado ski resorts, Vail, Breckenridge, Keystone and Beaver Creek. As but one example, Vail has received over six feet of snow since December 17. In addition, the grand opening of Vail's Blue Sky Basin, as expected, on January 6 was received with great enthusiasm. We also continue to be encouraged by solid advance bookings for our fiscal third quarter."

Vail Resorts, Inc. is the premier mountain resort operator in North America. The Company operates the Colorado mountain resorts of Vail, Breckenridge, Keystone, and Beaver Creek and the Grand Teton Lodge Company in Jackson Hole, Wyoming.

Statements in this press release, other than statements of historical information, are forward looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. Such risks and uncertainties include, but are not limited to, failure to achieve estimated revenue, improve skier days or receive anticipated insurance proceeds; general business and economic conditions; competitive factors in the ski and resort industry; and the weather. Investors are also directed to other risks discussed in documents filed by the Company with the Securities and Exchange Commission.

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